

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>	* <b>Chapter 7</b>
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<b>MLCJR LLC, et al.,</b>	* <b>Case No. 23-90324 (CML)</b>
<b>Debtors,</b>	*
	* <b>(Jointly Administered)</b>
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**JOINT STATEMENT OF THE UNITED STATES AND NRW TO TRUSTEE’S  
RESPONSE TO EMAIL CORRESPONDENCE TO THE COURT FROM THE UNITED  
STATES RE THE COURT’S ANTICIPATED RULING ON THE TRUSTEE’S MOTION  
FOR AUTHORITY TO: (A) RELINQUISH FEDERAL LEASES AND (B) ABANDON  
THE REMAINING TITLE TO THE FEDERAL LEASES  
[RELATES TO DOCKET NOS. 2341, 2389]**

To the Honorable Christopher Lopez, United States Bankruptcy Judge:

The United States of America (“United States”) and Natural Resources Worldwide LLC (“NRW”) respectfully submit the following joint statement to the Trustee’s recent filing. In that filing, the Trustee urges the Court to grant the *Emergency Motion for Authority to (A) Relinquish Certain Federal Leases; (B) Abandon the Remaining Title to Certain Federal Leases (the “Leases”); and (C) For Related Relief* (the “Motion”) (R. Doc. 2341) without delay despite the United States and NRW having successfully reached an agreement, subject to the United States securing approval within the Department of Justice, that resolves the regulatory compliance issues pending before the Court that had previously stymied the assignment of the Assets to NRW. *See* R. Doc. 2389-1.

In light of this agreement, the United States and NRW jointly requested that the Court refrain from issuing a decision on the Motion to permit the parties to finalize the settlement documentation and the United States to obtain the necessary internal approvals to enter into the agreement, which is approximately expected in the next two weeks.<sup>1</sup> Yet, by his response, the Trustee opposes that request, raising three points, each of which are addressed here.

First, the Trustee suggests that until a settlement agreement “is *done and complete*, there is no reason this Court should refrain from addressing the Motion” until the settlement.” *See* R. Doc. 2389 at 2 (original emphasis). The parties have agreed on a repayment amount and schedule for payment of both pre-Closing and post-Closing Royalty Obligations and Burdens (as such term is defined in the Purchase Agreement). Currently, counsel for United States is seeking the necessary authority to enter into the settlement. *See* 28 C.F.R. § 0.160 *et. seq.* (outlining the United States’s settlement authority). This short delay is necessary and unavoidable.

On the Trustee’s second point, regarding a handful of items included in the sale documents for which assignments are not pending, the parties are working to identify assets included in the sale documents where assignments are not pending. Once identified, the parties will jointly discuss with Trustee’s counsel a proposed agreed order to abandon those assets.

Third, the Trustee suggests that a ruling granting the Motion would not affect the ability of the United States and NRW to conclude the settlement. However, the United

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<sup>1</sup> The Trustee filed the United States and NRW's joint request in the record at 2389-1.

States and NRW contend that entering an abandonment order before the settlement is executed would create tremendous risk and uncertainty about the status of the pending assignments executed by the Trustee (whose authority to assign may end with abandonment).

In the end, the United States and NRW are working towards a result that all the parties want: The approved transfer of the Assets' ownership from the Trustee to NRW. The United States and NRW merely request a short amount of time for that to happen. For all these reasons, the United States and NRW jointly informed the Court's Case Manager as requested at the January 28, 2025, hearing and requested that the Court temporarily refrain from granting abandonment.

Respectfully submitted,

Dated: February 28, 2025

**STONE PIGMAN WALTHER WITTMANN LLC**

By: /s/ Andrew D. Mendez

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served on counsel of record via the Court's electronic filing system on this 28th day of February, 2025.

/s/ Andrew D. Mendez